DISCUSSION PAPER

VET FEE-HELP Redesign 2012
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1 Introduction

1.1 Purpose of paper

This paper has been developed in response to the post implementation review of the VET FEE-HELP Assistance Scheme undertaken in 2011 and subsequent consultations with states and territories in relation to the development of new national partnership agreement on skills reform between the Commonwealth, states and territories. It will be used as the basis for the Department of Industry, Innovation, Science, Research and Tertiary Education’s (DIISRTE) consultations with stakeholders in 2012 to seek comment on the Government’s plans for redesigning VET FEE-HELP. Income contingent loans, or ‘ICLs’, such as those available under VET FEE-HELP (the ‘Scheme’), are widely supported in the education sector as they improve access to and participation in tertiary education.

ICLs also have an important role in the national skills reform agenda. This was agreed at the April 2012 COAG meeting culminating in a new National Partnership Agreement on Skills Reform signed by all governments. As the Scheme is extended progressively into the subsidised part of the vocational education and training (VET) diploma and advanced diploma market in all states and territories, it is vital that the Scheme is performing at its best, in order to deliver outcomes for governments, students and stakeholders of the Scheme. DIISRTE is committed to implementing continuous improvements to the Scheme that are informed by stakeholders to achieve this goal. The proposed changes to the Scheme aim to:

- improve student access and participation in VET;
- simplify, streamline and improve the suitability of the Scheme in the VET sector without compromising the quality and integrity of the Scheme;
- improve the take up of VET FEE-HELP by states and territories and quality registered training organisations (RTOs); and
- improve stakeholder’s experience with the Scheme.

One of the main priorities of the redesign project is to improve the efficiency and effectiveness of the Scheme’s operation for stakeholders, including, where possible, a reduction in administration for quality RTOs. The proposed changes outlined in this paper take into account the extensive stakeholder feedback already received through the 2011 review of the Scheme, and through subsequent discussions with states and territories, peak bodies, RTOs and students to date.

DIISRTE would like to hear from the Scheme’s stakeholders on the proposed redesign elements, their possible impact on outcomes, implications for implementation, potential risks and consequences, and mitigation strategies. DIISRTE would like to hear about any further areas where stakeholders consider improvements are required or could be made. Stakeholder feedback will be considered in finalising the Government’s plans for the Scheme’s redesign over 2012-13.
1.2 Background on VET FEE-HELP

ICLs were first made available in the VET sector in 2008 through VET FEE-HELP. VET FEE-HELP is one of a number of ICL programs offered by the Government under its Higher Education Loan Program (HELP). The Scheme has authority under Schedule 1A to the Higher Education Support Act 2003 (the Act) and provides Australians with improved access to tertiary education by removing the financial barriers to study associated with the up-front payment of provider tuition fees. ICLs can be used to support students enrolling in VET diplomas, advanced diplomas, graduate certificates and graduate diplomas offered by providers approved under the Scheme. These qualifications are commonly referred to as higher level VET qualifications and provide individuals with skills that can enhance career opportunities and increase access to higher education courses. These qualifications are also associated with increased workforce participation and productivity gains which in turn, support the national skills agenda. There is evidence to suggest that higher level VET qualifications are linked with improvements to salary.

RTOs must apply to DIISRTE and satisfy a range of quality and accountability requirements under the Act to become approved to offer VET FEE-HELP to eligible students. These requirements are aimed at satisfying the approving Departmental delegate that an RTO does not present unmanageable risks to students and public monies and that they are able to fulfil education and training commitments. Once approved, providers receive funding from the Government for tuition fees levied on students who can elect to use an ICL to pay all, or part of, their tuition fees. The Government loans this amount to the student and it is not expected to be paid back until the individual’s income exceeds a minimum financial year threshold, which for 2012-13 is $49,095. When this threshold is reached, the individual gradually pays back the loan, as a small percentage of their salary, to the Government through the taxation system. Full-fee paying students and some state subsidised students can also apply for a loan under the Scheme.

A high bar has been set for providers seeking approval under the Scheme to ensure that only quality RTOs are able to access to Government funds. The Scheme’s requirements are rigorous to ensure there are appropriate safeguards for students including that they receive a recognised, robust VET qualification to help secure a good job and salary. The primary intention of the redesign is to maintain this standard of rigour while improving the Scheme’s performance and operational fit with the VET sector, and contribute to improved up-take by RTO’s and students.

2 Post implementation review of VET FEE-HELP

Following a brief establishment period for the Scheme, the 2011 post implementation review was timely in seeking feedback from the VET sector on the operation of the Scheme to inform the Government’s future skills reform agenda, including the extension of the VET-FEE HELP into the subsidised part of the diploma and advanced diploma market. The scope of the review included analysis of the Scheme’s performance against what it originally set out to achieve. A critical component of the review was the stakeholder consultations with RTOs (including those approved to offer VET FEE HELP, those applying, those who did not complete the application process and those who had not applied); state and territory governments; and
peak sector bodies. The review built on recent market research undertaken with students to
gauge their understanding of the Scheme and the effectiveness of its information products.

The consultations undertaken through the review process provided clear feedback that,
although VET FEE-HELP was a welcome initiative in providing improved access and equity in
the VET sector, certain elements of its design were not a good fit for the VET sector,
particularly those aspects modelled on its higher education counterpart FEE-HELP.
Consequently, this is a contributing factor limiting its uptake by states and territories, RTOs
and therefore students. The most commonly noted barriers to the uptake of VET FEE-HELP,
and issues relating to the broader experience with the Scheme were the:

• application process for approval is long, complex and arduous;
• lack of flexibility of certain administrative compliance requirements limited a provider’s
ability to be responsive to student and industry needs (particularly the requirements for
census dates and publishing tuition fee schedules so far in advance);
• high cost and administrative burden of data reporting and compliance requirements,
particularly given the broader VET operating and regulatory environment;
• perceived inequities in some VET FEE-HELP arrangements for subsidised students as
compared to full-fee paying students; and
• poor awareness, knowledge and understanding of the Scheme amongst students and
education providers.

3 VET FEE-HELP redesign: Improving the quality and integrity of the
Scheme

A range of streamlining activities designed to increase uptake of VET FEE-HELP, including
amendments to the Act to allow for greater flexibility and suitability to the VET sector, have
already been implemented but more work needs to be done. The redesign of the
VET FEE-HELP project seeks to boost current approved provider numbers by directly
addressing the perceived barriers as advised by key stakeholders, including state and
territory governments, as confirmed in the 2011 Report on the Post Implementation Review
of the VET FEE-HELP Assistance Scheme. This will improve student choice in a manner that is
balanced with the ongoing need for a strengthened quality framework to ensure only quality
RTOs apply and are funded through the Scheme and students who take out a loan to help
finance their studies are protected. The Scheme also requires redesign to ensure that it
better meets the needs and operational realities of the VET sector and this will be a key
feature of the redesign project.

The proposed redesign supports the reform agenda and will assist the Government to
achieve the following goals of the Scheme:

• better support quality RTOs to become approved and continue to be approved under the
  Scheme by strengthening the Scheme’s quality framework;
• reduce administrative requirements under the Scheme so that approved providers can
  operate with greater flexibility to be innovative and adaptive to student and employer
  needs;
• expand the availability of the Scheme to eligible students through increased numbers of approved providers while ensuring that appropriate and effective student safeguards are maintained; and
• raise the profile of VET FEE-HELP to improve understanding of the Scheme’s benefits.

The key redesign elements are set out in this section of the paper. These elements include improvements to:

• application and approval policies and processes;
• the requirement for credit transfer arrangements;
• requirements for census dates, schedules of tuition fees;
• data reporting;
• tuition assurance;
• the implementation of a new quality framework for the Scheme; and
• enhancements to IT systems to support administration of the Scheme.

Stakeholders should note that the limited trial of Certificate IV qualifications, which was agreed as part of the National Partnership Agreement on Skills Reform, will be progressed through a separate consultation process with state and territory training bodies and not through this consultation process.

DIISRTE acknowledges that stakeholders may have other concerns or issues with the current operation of VET FEE-HELP and welcomes stakeholder input to identify and suggest potential solutions to address them. This input will assist in ensuring that enhancements to the VET FEE-HELP are as informed by stakeholder input as possible.

3.1 Improvements to application and approval policies and processes

Uptake of the Scheme since its inception has been relatively low and below expectations. To date, 111 RTOs have been approved to offer VET FEE-HELP. The largest number of providers were approved in Victoria following agreement with the Commonwealth to operate in the subsidised diploma and advanced diploma market from 2009. Notwithstanding other identified barriers to the Scheme’s uptake, it is reasonable to assume that the limited number of approved providers and courses where VET FEE-HELP is available, has impacted on the take-up of loans under the Scheme and may have adversely impacted on decisions by individuals to participate in higher level VET study.

The application process for RTOs to become approved to offer VET FEE-HELP has been reported by stakeholders as difficult to understand, complex and time consuming. Currently all RTOs undergo the same application and approval process regardless of what risk they present to the Commonwealth. The bar for providers seeking approval was purposely set high to ensure that only quality providers receive access to public monies via the Scheme. While DIISRTE has already made substantial changes to application arrangements for providers, the application and approval policies and processes will again be reviewed with reference to stakeholder feedback.

One proposal being considered is the implementation of a risk-managed and more streamlined approach to applications. This approach will be aimed at public and dual sector
providers, in the first instance, in recognition of the lower risk associated with these providers. This will help to address administrative complexities within the Scheme and reduce regulatory duplication, particularly for dual sector providers.

3.1.1 Supporting providers

DIISRTE is seeking legislative amendments to the Act to enhance the Minister’s ability to assess provider applications based on the risk they present to the Commonwealth. This will potentially reduce the administrative requirements for approval under the Scheme for low risk applicants. Streamlining the applications requirements on the basis of risk will significantly reduce application times for applicants and subsequent approval times. Legislation changes are also being considered to allow for greater flexibility in annual reporting arrangements for providers, again on the basis of risk.

The changes proposed will allow for providers to be approved outside of the standard application process and would allow the Government to take a significant step towards not only simplifying and streamlining applications, particularly in response to state and territory concerns with VET FEE-HELP, but implementing a risk-managed approach to assessing applications and undertaking ongoing administrative compliance activities for approved providers. Accordingly, provider approvals would be determined based on the type and level of risk that the RTO will represent to the Commonwealth.

Policies and processes for application and approval will be reviewed and streamlined on the basis of the risks RTOs represent to the Commonwealth.

DIISRTE seeks feedback from stakeholders in relation to current application processes and on any concerns or issues that have not been adequately addressed in the preceding paragraphs.

3.1.2 Simplifying administration for dual sector providers

Currently, dual sector providers who operate in both the higher education and VET sectors are unable to apply for approval as a higher education provider and VET provider in one application (they must make two separate applications that require separate assessment). The current application rules under FEE HELP and VET FEE-HELP are not identical. DIISRTE is critically analysing these requirements to help reduce the regulatory burden on dual sector providers and simplify the application and ongoing accountability requirements under FEE-HELP and VET FEE-HELP.

DIISRTE intends to streamline both the application process and approval policy so that dual sector providers will be able to make a single application to offer both FEE-HELP and VET FEE-HELP. Furthermore, dual sector providers that are approved to offer ICL’s under one scheme (e.g. FEE-HELP) and not the other (e.g. VET FEE-HELP), but are applying to be approved under the other program (i.e. VET FEE-HELP), will be able to do so through streamlined application arrangements. Under these proposed arrangements, a dual sector provider will be able to apply for approval based on information previously provided under the scheme they have already been approved for, and the supply of additional information to satisfy any additional requirements under the Act. Importantly, financial information requirements will be streamlined to enable information to be used under both schemes.
Consideration will also be given to the financial viability reporting requirements to determine whether it is possible to have one reporting arrangement for both schemes. Appropriate policies and guidelines will be developed to ensure that supplied information is current to mitigate risks to assessing an application based on out-of-date information. This is particularly pertinent for meeting the financial viability requirements for the schemes. Legislative requirements under FEE-HELP and VET FEE-HELP will be reviewed to further streamline administrative compliance requirements with the aim of eliminating duplication and alleviating administrative requirements under both schemes for dual sector providers.

**DIISRTE will progress arrangements so that only one application form will be required for dual sector providers to apply for approval under both FEE-HELP and VET FEE-HELP.**

Common financial reporting and financial viability requirements and arrangements for both schemes will also be investigated to streamline application and approval processes for dual sector providers.

**Do stakeholders have other issues that need to be considered in relation to dual sector providers?**

### 3.1.3 Removal of the requirement for credit transfer arrangements

The requirement that a VET provider has a guaranteed credit transfer arrangement (CTA) in place with an approved higher education provider for diplomas and advanced diplomas offered under the Scheme, has been identified as a barrier to uptake of the Scheme by providers since the Scheme’s inception. This was a finding in the 2011 review, where it was suggested that the requirement is inequitable for some providers in the VET sector given that some VET diploma and advanced diplomas simply do not articulate into a higher education bachelor degree. This is particularly an issue for niche and smaller providers.

Education and training providers have also pointed out that the costs involved in putting credit transfer arrangements in place can be high; there is no guarantee that the arrangement will help to attract students; and the decision to grant the credit transfer is at the discretion of the higher education provider. It is important to note that some VET providers with established relationships with a higher education provider, such as a dual sector provider, can more readily arrange credit transfer to a higher education award and at minimal cost. Given the variability of RTOs operating in the VET sector, and the Government’s support for diversity in the sector, there is a need to support a more level playing field to encourage more RTOs to seek approval to participate in the Scheme.

It has been agreed with states and territories under the new National Partnership Agreement on Skills Reform that the credit transfer arrangement requirement will be removed in entirety from the Scheme to ensure that the requirements under the Scheme are appropriate and suitable to the VET sector. This currently occurs as individual states and territories implement ICLs for students in subsidised diploma and advanced diploma courses.

This policy change is not intended to limit learning pathways or impact on the quality of providers or their courses approved under the Scheme. Credit transfer arrangements will
continue to operate irrespective of the Scheme, particularly for quality providers who offer courses which lend themselves to articulation arrangements with the higher education sector. However, it is considered that there are more appropriate and effective platforms available to facilitate learning pathways in the tertiary sector.

Removal of the credit transfer requirement will open up the Scheme to quality RTOs previously ineligible to apply and will increase the range of courses on offer to students under the Scheme. This change will mean that RTOs applying to be approved under the Scheme will no longer be required to have a guaranteed credit transfer arrangement in place with an approved higher education provider for at least one course; and approved providers will no longer be required to have credit transfer arrangements in place.

Removal of the credit transfer requirement will result in significantly reduced administrative requirements for applicants and for approved providers. Approved providers and applicants will no longer be required to seek credit transfer arrangements with higher education providers for every VET diploma and advanced diploma for which they seek to offer VET FEE-HELP assistance, seek approval for these arrangements from the Scheme’s delegate, renew those arrangements, and report on credit transfer to DIISRTE. This will remove an identified barrier to uptake of the Scheme and also remove a perceived inequity, particularly given this requirement has already been waived in Victoria.

Requirements for credit transfer arrangements under VET FEE-HELP will be removed.

Do stakeholders have any concerns about the removal of the requirement for credit transfer arrangements? If so, what are the concerns and how could these concerns be managed?

3.2 Operational redesign to support a high quality VET sector

3.2.1 Consolidation of the legislative guidelines

The current legislative guidelines consist of the VET Provider Guidelines, VET FEE-HELP Guidelines and the VET Administration Guidelines. The Act prescribes which guidelines must contain which matters. The complexity of the VET sector and the way the Act is designed often results in information being duplicated in various sets of guidelines or the specific subject matter requires the use of numerous guidelines. To simplify and reduce the complexity of the VET FEE-HELP requirements and obligations, DIISRTE is planning to consolidate the existing legislative guidelines into one set of guidelines. This will assist applicants and providers to clearly understand what their obligations are under the Scheme and will help to reduce the administrative burden and complexity of the Scheme.

Consolidate the legislative guidelines into one set to simplify arrangements for providers approved to operate under VET FEE-HELP.

3.2.2 More flexible requirements for census dates

Under current arrangements, for all VET units of study, information on commencement and completion dates, census dates (i.e. the closing date for a student to apply for
VET FEE-HELP, and the date after which the student incurs a HELP debt for the tuition fees for the enrolled unit), and tuition fees amounts are required to be published up to six months before the unit of study commences. A census date cannot be less than 20 per cent of the way through a unit of study. The requirement to have census date is legislated. The process associated with the setting of a census date for units of study and publishing of information about tuition fees (or making changes to these) to comply with the Scheme’s requirements has been identified as administratively burdensome, particularly for providers who offer a large number of courses and consequently a large number of units of study.

The review of VET FEE-HELP confirmed these findings with feedback also suggesting that the setting of census dates also limits the VET sector’s ability to be innovative and responsive to current and emerging student, employer and industry needs. The timing, inflexibility and impracticality of the publishing requirements for tuition fee schedules and the rigidity of the census date requirements were also identified as problems under the Scheme. The current requirements hinder certain VET sector strengths and administrative practices including the provision of rolling enrolments, delivering units based on demand, and the ability to easily add units of study outside the published schedule dates. It should also be noted that many stakeholders recognised the critical need for these transparency arrangements for providers to make such information available to students. These arrangements enable students to be able to determine the exact date by which they would incur a HELP debt and how much this debt would be, an important student protection measure.

It is proposed that amendments to the requirements for setting and publishing census dates and tuition fees are reviewed so that they are more suitable to the VET sector while still ensuring that students are informed of course costs, and when those costs would be incurred. A legislation amendment is being sought to place the minimum timing for the setting of a census date into the legislative guidelines to allow for changes to be made to give more flexibility to providers. In addition, the following two options are presented for stakeholder consideration.

**Option 1 – Census date based on duration of unit**
A census date is based on the number of weeks over which a unit of study (that forms part of an eligible diploma and above course) is delivered on a full-time basis. The census date for a unit of study with a full-time duration of:

- 10 weeks or less is close of business five business days after the student commences the unit;
- more than 10 weeks and less than 20 weeks is close of business 10 business days after the student commences the unit;
- 20 weeks or more is close of business 20 business days after the student commences the unit.

These timeframes would become the ‘census date rules’ (see table below) and providers would be required to publish these rules, and for each VET unit of study, publish its full-time duration to enable a student to easily determine the census date for their enrolled unit of study.
‘Census date rules’

<table>
<thead>
<tr>
<th>Unit duration</th>
<th>Census date</th>
</tr>
</thead>
<tbody>
<tr>
<td>≤ 10 weeks</td>
<td>5 business days after student commencement</td>
</tr>
<tr>
<td>&gt; 10 weeks but &lt; 20 weeks</td>
<td>10 business days after student commencement</td>
</tr>
<tr>
<td>≥ 20 weeks</td>
<td>20 business days after student commencement</td>
</tr>
</tbody>
</table>

These rules would apply regardless of whether a student is enrolled on a full-time or part-time basis. This option would afford students a reasonable period to consider withdrawing from a unit without incurring a HELP debt. Providers would also be given reasonable periods to be assured of student enrolment numbers.

The proposed change will reduce the administration required for applicants and significantly reduce administration for approved providers, particularly those offering a large number of courses. Publication of commencement and completion dates for each unit of study would no longer be required under the Scheme. Importantly, this option better supports the VET sector’s ability to offer rolling enrolments and cater to the current needs of students and employers.

**Option 2 – Standard census date for most units**

The census date would be close of business 15 business days after the student commences a VET unit of study for each unit of study that requires 10 weeks or more of full-time study. Where the unit is less than 10 weeks of full-time, the census date would be five business days after the student commences a VET unit of study.

These timeframes would become the ‘census date rules’ and providers would be required to publish these timeframes, and for each VET unit of study, publish its full-time duration to enable a student to easily calculate the census date for their enrolled unit. These rules would apply regardless of whether a student is enrolled full-time or part-time in a unit. For most units, students would have 15 days to consider withdrawing from the unit without incurring a HELP debt. Publication of commencement and completion dates for each unit of study would no longer be required. The benefits of Option 2 are similar to Option 1.

**DIISRTE aims to introduce more flexible arrangements and reduce administrative requirements associated with the setting and reporting of census dates.**

**Given the significance of census dates for providers and students alike, DIISRTE is keen to receive feedback from providers on the options outlined above, and any further options that should be considered in addressing concerns about census date requirements and in simplifying this aspect of VET FEE-HELP.**
3.2.3 Improvements to publishing schedules of tuition fees

Under the current legislation, approved VET FEE-HELP providers must publish its schedules of tuition fees by:

- 1 April for a VET unit of study with census date in the second half of the same year; and
- 1 October for a VET unit of study with a census date in the first half of the following year.

DIISRTE has recently amended these requirements to allow for the publishing of the schedules outside these times to specifically allow for new providers to be able to commence operations as soon as they are approved and to enable existing providers to add new courses outside these statutory timeframes. However, these changes do not address the current administrative burden on providers and DIISRTE, in that the lead in time for publishing of schedules of tuition fees can result in an excessive number of variations to the published schedules.

As part of the Government’s transparency agenda, it is critical that students can easily access information on provider tuition fees and are aware of the debt they take on through VET FEE-HELP before they commit to taking out a loan. Importantly, the Scheme must have in place appropriate consumer protections to safeguard students from provider changes to tuition fees that may adversely impact on them.

DIISRTE is considering changing the times for publication to assist in reducing the number of variations that must be provided and published. In this regard, it is proposed to amend the publishing requirement as follows:

- 1 April deadline be amended to 1 June; and
- 1 October deadline be amended to 1 December.

The proposed changes will allow providers extra time to settle courses prior to the requirement to publish. It is considered that these changes will result in a significant decrease in the requirements for providers to apply for variations to the tuition fee schedules. This would significantly reduce the administrative burden on providers. DIISRTE is also considering the introduction of a risk managed approach to tuition fee schedule variations to further simplify this component of the Scheme.

DIISRTE proposes that the dates for publishing schedules of tuition fees be set closer to course commencement date to reduce the number of variations required. A risk-managed approach will also be developed.

The proposed changes set out above respond to stakeholder concerns about the appropriateness of the current dates by which tuition fee schedules are required to be published. In order to ensure that students are aware of the costs associated with undertaking diploma and above level courses, including costs associated with different units, DIISRTE seeks views from stakeholders on the proposed changes and any further options that could address the issues raised.
3.3 Implementing a new quality framework

Given recent major reforms to the regulation of education and training providers, the current operating environment in education, and the lessons learned from VET FEE-HELP delivery to date, it is timely that DIISRTE review the Scheme’s quality framework. This review is necessary so that the quality framework is fit for purpose, efficient and effective, complements other Commonwealth and state regulatory schemes and frameworks, and seeks to eliminate regulatory duplication and administrative burden where possible. Changes to the Scheme’s quality framework are vital to ensure that students taking out a loan are provided with quality education and training that will enhance their employment and income earning potential.

A new quality and accountability framework is being developed, underpinned by legislative changes, with elements of this framework scheduled to commence in 2012-13. The new framework is designed to strengthen the quality and accountability requirements for RTOs seeking to be approved under the Scheme and improve the administrative compliance arrangements for approved providers to allow for early detection of low quality providers. The measures provide for a proactive approach to establishing, assessing and taking action against providers that fail to meet quality standards. In devising the new framework, consideration is given to the sector’s ability to be adaptable, flexible and responsive to local student and employer needs. The new framework will also be developed in consultation with state and territory education and training agencies who manage contracts, including quality arrangements, with RTOs that are able to access state subsidies for training delivery of diploma and advanced diploma courses. Consideration is also being given to enhancing the student outcome survey to inform the quality framework and assess the framework’s ongoing effectiveness.

3.3.1 National regulators audit and investigation reports

DIISRTE is seeking changes to enable the Minister to consider audits or investigation reports undertaken by the newly established national regulators, the Tertiary Education Quality and Standards Agency (TEQSA), and the Australian Skills Quality Authority (ASQA), and also the relevant VET regulators from non-referring jurisdictions, to inform a decision on an application for approval of an applicant or revocation of an approved provider under the HELP schemes. Consideration of such reports will enhance the Minister’s ability to make informed and timely decisions under the schemes. The Minister will be required to show how the reports are relevant for approval and revocation decisions i.e. demonstrate sound linkages to the schemes. The changes do not impose new obligations on an applicant or an approved provider as it relates to the information the Minister can access and consider for the purposes of approval and revocation decisions.

3.3.2 Consideration of corporate structures and governance arrangements

Currently, for the purposes of approval, the Act requires an applicant to be a body corporate, established under a law of the Commonwealth, state or territory, and have their
central management and control in Australia. These requirements do not expressly allow the Minister to consider how that body corporate operates as a quality education provider and whether they have corporate structures, policies and processes in place to support their application and ongoing compliance under the Schemes. In addition, the term ‘body corporate’ has a very wide legal meaning compounding the complexity of ascertaining a quality provider.

Proposed changes to the legislation and the legislative guidelines would allow the Minister to expressly consider corporate structure and corporate governance arrangements when making a decision whether a body corporate can be approved or continue to be approved as a higher education provider or VET provider for the purposes of the schemes. This will create a direct link between applicants’ corporate arrangements and the requirements under the Act.

With the expansion of VET FEE-HELP in the private education and training sector, a number of RTOs with complex body corporate structures are applying to be approved. Some of these arrangements make it difficult to determine who or what is the legal entity. This change seeks to provide greater transparency about the quality of the body corporate to inform an approval or revocation decision. It does not impose further obligations on an applicant or approved provider as the measures relate to the information the Minister can consider.

**Legislation changes are being considered to allow the Minister to expressly consider corporate structures and governance arrangements for approval and revocation purposes under the HELP schemes.**

### 3.3.3 Consideration of business operations and education delivery in another education sector

VET FEE-HELP and FEE HELP are regulated under the one Act, and under the one umbrella program i.e. HELP. Given their very similar legislative requirements, these schemes have many similarities including the way in which they are administered. This makes business operations in one scheme relevant, in many respects, to the other. A fuller picture of a provider’s ability to deliver quality education services in totality can be obtained if its business operations are assessed in relation to all education sectors it is delivering to. That is, if a provider is operating in the higher education sector with funding from FEE-HELP, assessment of its business operations and their impact on student outcomes is both pertinent and relevant to its application to become approved for VET FEE-HELP or its performance as an approved provider under VET FEE-HELP.

DIISRTE is considering ways to support quality providers through FEE-HELP and VET FEE-HELP operating in the higher education and VET sectors respectively. Currently, an assessment on whether to approve or revoke a provider e.g. for VET FEE-HELP, is limited as compliance under its counterpart scheme i.e. FEE-HELP is considered against a separate regulatory framework. This does not enhance the overall objective of supporting quality providers under the HELP schemes. DIISRTE is therefore seeking legislation and guideline amendments to enable the Minister to consider a provider’s business operations, educational delivery and conduct in either FEE-HELP or VET FEE-HELP in assessing
applications and compliance for either scheme. This approach will create efficiencies and support positive student outcomes. This change in policy does not impose further obligations on applicants or providers and is designed to ensure that only quality providers receive Government funding.

Business operations and education delivery under one scheme (e.g. FEE-HELP) may be considered for approval and revocation purposes under another scheme (e.g. VET FEE-HELP).

The changes being considered will make it possible for the Minister to assess the total operation of a body corporate that is involved in both the higher education and VET sectors and is designed to ensure that only quality providers receive Government funding.

3.3.4 Safeguards against unethical student recruitment

With the expansion of the Scheme, there is an increased risk that unethical recruitment methods may be used to entice students to enrol in a course and access a VET FEE-HELP loan. There are currently no provisions in the Act to prohibit a person or body corporate misrepresenting and/or misleading potential students that they are approved to offer VET FEE-HELP to students when in fact they are not. In recent times, there have also been reports of unethical recruitment of students (some involving disadvantaged individuals), and providing misleading course information.

DIISRTE seeks to put in place express provisions in the Act to limit such actions when it has been established that they are occurring. This includes a provision in the Act to prohibit a person or body corporate falsely ‘holding out’ that they are approved to offer VET FEE-HELP. The legislative changes will be drafted to ensure that the use of any type of advertising will be caught under the provisions. However, it is not the intention of the legislation to capture a person or body corporate that, as part of their business operations, publishes information on behalf of the person or body corporate that is ‘holding out’. This will not impose further obligations on providers as the measures relate to unapproved providers.

Changes will also include a provision to prohibit an approved VET provider from engaging in misleading or deceptive conduct in the recruitment of students or in the offering of courses. The provision will also be a consideration for taking revocation action against a provider. Recent complaints received in relation to the targeting of disabled students have highlighted the need to provide DIISRTE with the necessary tools to deter such unethical practices and stop them when they do occur. This is especially important to the integrity of the Scheme given that the students may incur a substantial debt as a result of misleading or deceptive conduct. This change does not impose further obligations on providers as the measures only relate to misleading and deceptive conduct and will only be invoked if an approved provider behaves in such a way.

Associated offence provisions will be created to ensure that sufficient protections are available under the Act to enable DIISRTE to protect unsuspecting prospective and current students. The prohibition on misleading or deceptive conduct will also be made very clear in the approved provider information handbooks.
Legislative changes will be made to ensure that RTOs do not advertise VET FEE-HELP unless they are approved under the Scheme.

Changes will be made to legislation to protect VET students from misleading or deceptive conduct in the recruitment of students or the offering of courses.

3.3.5 Supporting provider compliance through written directions

Effective compliance regimes include education, evaluation and enforcement. There are instances where a VET provider has not complied with the requirements of the Act (or associated legislative guidelines) but where the breach is not serious enough to warrant suspension or revocation action. In such a case, an approved provider is afforded the opportunity to meet the requirements by supplying supporting information, or participating in information sessions provided by DIISRTE. Where this does not achieve compliance with the requirements, DIISRTE is seeking an interim step that allows for administrative breaches of the Act to be addressed where the breach does not require suspension or revocation action.

This step allows the Minister to give a VET provider a written direction to do or to cease to do something to support compliance with the Scheme and protect its integrity. This measure supports the approved provider by affording it with opportunity to address the non-compliance issue and ‘do the right thing’. Examples of where a direction would be given ‘to do something’ include, when a provider has not published its tuition fee schedules or failed to submit data requirements in accordance with the legislative requirements. Examples of where a provider may be issued with a direction ‘to cease doing something’ include: where a provider publishes information that does not represent the true course costs and thereby does not adequately allow a student to determine the total costs for the course; and where a provider provides ineligible content (units associated with a lower qualification that is not eligible for VET FEE-HELP assistance) as part of their course.

Such a measure would also allow for documented evidence on the compliance history of a provider. Repeated failure to comply with a direction, depending on the severity, could demonstrate a systemic course of non-compliance that warrants suspension or revocation action against the provider. This change would not impact on quality providers who adhere to the requirements of the Scheme. It would however impose a further regulatory burden on providers if those providers were non-compliant with the Act.

A change to legislation will be made to allow the Minister to issue a written direction to a provider to ‘do’ or ‘cease to do’ something that is not compliant with the Act or legislative guidelines.

3.3.6 Strengthening suspension and revocation actions

Notices on the decision to revoke a provider’s approved status are legislative instruments. DIISRTE is seeking to amend the Act so that revocation notices under subdivision 22-B or subdivision 5-B of Schedule 1A to the Act enable a revocation decision to take effect on the day immediately after the day the notice is registered on the Federal Register of Legislative Instruments (FRLI). Currently, there is the potential for a significant time lapse to occur.
between the date immediately after the date on which a notice of revocation is registered on FRLI, and the day immediately after the last day of the disallowable period, given some protracted parliamentary sitting schedules. This can substantially extend the period in which a provider could offer HELP assistance to its students even though the Minister has made a decision to revoke the provider. The intention of this change is to stop the possibility of a body who receives a notice of revocation continuing to enrol and offer HELP assistance to its students until the Minister’s decision to suspend or revoke the body comes into effect.

DIISRTE is also seeking to implement automatic statutory suspension and revocation provisions under the Act. This will ensure high risk providers aren’t able to keep operating and offering HELP assistance to students if they cease to be a approved higher education provider or RTO, or if they cease to offer a course or that course loses its accreditation - these are the decisions made by the national regulators or a VET regulator from a non-referring jurisdiction. Automatic suspension action would remain in place while the provider undergoes any review of the decision made by a national regulator, such as a review by an administrative tribunal. If the decision is upheld to cease approval of a higher education provider or registration of an RTO, or a provider ceases to offer a course or loses its accreditation for a course, only then would a provider be revoked from being an approved provider under the Act. This is to ensure that an RTO or higher education provider is afforded procedural fairness on the decision made by the regulators.

Automatic statutory suspension and revocation action will also apply if external administration action (such as a court order for winding-up action due to insolvency) is initiated. Likewise, a provider would not be statutorily revoked until the external administration action has been formalised. These amendments will minimise the risk to Commonwealth monies and provide necessary safeguards for students to minimise the likelihood of the student incurring a debt when the business will not be able to provide the necessary training for the course.

**Legislative changes to be introduced to provide for revocation of approval to take effect on the day immediately after the notice has been registered on the Federal Register Legislative Instruments.**

**Automatic suspension and revocation of a HELP provider approval will be possible under certain circumstances.**

### 3.3.7 Requirements under the legislative guidelines

The current quality and accountability requirements in the legislative guidelines require amendment to bring the quality arrangements into line with the creation and functions of the national regulators to support quality providers who receive public monies. DIISRTE is seeking to amend the legislative guidelines to provide for the following:

- Applicants for VET FEE-HELP would be required to provide the most recent audit report from the national regulator (ASQA), or a VET regulator from those non-referring jurisdictions, when they apply. This report may be taken into consideration by the Minister when making a decision whether to approve or reject an applicant. The legislative guidelines will be amended to require providers to submit audit reports that
have been completed by the national regulator, a VET Regulator and TESQA, together with any responses given by the provider.

- Publishing requirements would be strengthened to require all policies and procedures specifically relating to VET FEE-HELP to be published and, at a minimum, accessible on the web. All policies and procedures must at all times be current, compliant and correct to ensure that students and prospective students can access quality information.

- Providers may be required to provide details of the total contact hours that will be provided for each course. The contact hours provided for a course acts as a quality indicator on the training being provided, course content (including ineligible content), and if the student is receiving a qualification in line with the debt incurred. The legislative guidelines will be amended to implement the necessary frameworks and parameters under any such reporting requirement.

**Legislative guidelines may be changed to require:**
- applicants and providers to provide regulator audit reports;
- VET FEE-HELP policies and procedures to be published on approved provider websites; and
- approved providers to provide total contact hours for courses.

**DIISRTE is specifically seeking stakeholder views on other areas of the guidelines that may be problematic.**

### 3.3.8 Tuition assurance requirements

DIISRTE is seeking specific feedback on the operation of the tuition assurance requirements under the Act and in the broader context of the education sector. The tuition assurance requirements provide consumer protection to VET students who pay their tuition fees up-front or access a loan through the Scheme. Under the current tuition assurance requirements, when a VET provider ceases to provide a VET course of study, a VET student who is currently enrolled in that course, has the choice between:

- placement in a similar VET course of study with another VET provider; or
- a refund of any up-front VET tuition fee payments and/or a re-credit of their FEE-HELP balance.

A VET student that chooses the placement option must receive full credit for all completed units and must not be required to pay the new provider for any replacement units (i.e. units that they had already paid for at their original provider).

The tuition assurance requirements require an approved VET provider to comply with both the VET Course Assurance (placement in a similar course) and VET Tuition Fee Repayment (refund and/or re-credit) requirements.

An approved VET provider can meet the VET Course Assurance requirement by:

- membership of an approved Tuition Assurance Scheme (TAS); or
- a legally-binding agreement with one or more second providers; or
• a legally-binding guarantee provided by a legal entity that has the necessary financial and administrative resources to fulfil such a guarantee.

An approved VET provider can meet the VET Tuition Fee Repayment requirement by:

• membership of an approved TAS; or
• having a VET tuition fees in arrears agreement offered by the provider to VET students under which VET students enrol on the basis that VET tuition fees for each VET unit of study are paid in arrears; or
• a legally-binding guarantee provided by a legal entity that has the necessary financial and administrative resources to fulfil such a guarantee.

There are other regulatory frameworks with models of tuition assurance to protect students, for example the *Education Services for Overseas Students Act 2000* (ESOS Act) and both the AQTF Essential Conditions and Standards for Registration (AQTF Standards) and the Standards for National VET Regulator RTOs 2011 (SNR).

The consumer protection requirements under the AQTF Standards and the SNR mirror each other. Under these requirements RTOs must comply with one of the following four options to meet the consumer protection requirements:

• be administered by a State, Territory or Commonwealth government agency; or
• accept payment of no more than $1,000 from each individual student prior to commencement of the course. Following commencement, can accept fees in advance but only to the amount of $1,500 for tuition or other services yet to be delivered; or
• hold an unconditional financial guarantee from a bank operating in Australia; or
• have alternative fee protection measures of equal rigour approved.

To alleviate regulatory burden on the sector, DIISRTE is considering ways to streamline and consolidate the student protection measures under the Act without unduly compromising these protections. One option for consideration is to remove the ability for the student to make a choice between placement and refund and/or re-credit. This is consistent with the requirements under the ESOS Act and the SNR and will provide that students will only receive a refund/re-credit if the student can’t be placed in an equivalent course or unit of study.

DIISRTE is also considering an amendment to the legislative guidelines to make it clear that the TAS arrangements are applicable to a provider ceasing to offer a unit of study and a course of study. The current requirements under the guidelines do not make it clear that it is the intended policy that a student is protected for the entire course enrolment. This would ensure that if a provider ceases to operate during a semester break, a student is not enrolled in a unit of study but enrolled in a course would still be protected under the TAS arrangements. Wherever possible, the student would be placed in a comparable course at another educational institution without incurring costs.

Under current tuition assurance requirements, placement of students in an appropriate alternate course or unit of study is the priority. There is a view that tuition assurance protections should apply to a student while enrolled in a course of study – not just a unit of study. Over recent years there has been much debate about tuition assurance.
3.4 Improving data reporting

3.4.1 Rationalisation of data reporting requirements

Reporting requirements in the broader VET environment have long been a point of contention in the sector. Currently, all Government funded providers have to deliver Australian Vocational Education and Training Management Information Statistical Standard (AVETMISS) compliant reporting to the National Centre for Vocational Education Research (NCVER) on an annual basis. AVETMISS reporting requirements include student demographic and course uptake data.

Under VET FEE-HELP, all providers are required to report four times a year on student demographic and course uptake data, and a range of financial related information, some of which provides details of loans taken out by students, which is then provided to the Australian Taxation Office. The Scheme also requires an approved provider to report annually on student completions. Concerns were expressed through the 2011 review that reporting under the Scheme is administratively burdensome in that the AVETMISS and VET FEE-HELP reporting requirements do not align, resulting in some duplicate reporting requirements for VET FEE-HELP and other publicly funded training activities.

DIISRTE is seeking to investigate the scope for reducing the data reporting burden on approved providers and is working with the NCVER on how reporting requirements could be more streamlined, with a view to implementation of revised data reporting requirements for VET FEE-HELP over time. Consultations with NCVER have commenced in relation to the feasibility of including the data reporting requirements for VET FEE-HELP into AVETMISS. This will include a review of these data sets of data to generate options to streamline (where possible) the reporting requirements and ease the administrative burden placed on publicly funded providers. However, the following issues will need to be addressed:

- capturing data on providers that are not publicly funded but who are approved VET FEE-HELP providers;
- the regularity of reporting and the need for timely reporting under VET FEE-HELP to maintain the quality and integrity of the Scheme so as to protect student interests and public monies; and
- implementation considerations.

DIISRTE is also seeking to identify the potential for streamlining AVETMISS and the Higher Education Information Management System (HEIMS) requirements over time. Improved integration and more streamlined arrangements for reporting in VET may reduce the volume of reporting required from providers.
DIISRTE is investigating opportunities to streamline data collection requirements under VET FEE HELP. This will include consideration of the requirements under the AVETMISS data standard and as required for VET FEE-HELP.

DIISRTE seeks feedback from approved providers and other stakeholders on the current data reporting arrangements and suggestions on how reporting could be streamlined over time.

3.4.2 Increasing flexibility in reporting fields of study

Currently VET FEE-HELP providers must report on field of education for enrolments. This requirement is to ensure courses, specialisations and units of study with the same or similar vocational emphasis are reliably classified to the same ‘field of education’ based on the broad level Australian Standard Classification of Education (ASCED). This classification has been developed to be used nationally in all administrative and survey collections which incorporate data on education by field. Providers are also required to report on ‘qualification/course field of education’ as part of their obligations to NCVER using AVETMISS.

In effect, both VET FEE-HELP and AVETMISS use the same field of education classification to code field of education. AVETMISS also collects information to uniquely identify the type of occupation that may be expected for those undertaking a program of study. This classification is based on the Australian and New Zealand Standard Classification of Occupations (ANZCO) and is not collected by VET FEE-HELP. The National Register reports both classification codes (ANZCO and ASCED) for an accredited course. Through recent consultation processes associated with VET FEE-HELP, stakeholders have indicated that the current requirements to report on field of study should be reviewed. DIISRTE will review the current requirements of reporting against field of study under VET FEE-HELP and will consult with the NCVER in relation to the requirements under AVETMISS, to identify opportunities to improve flexibility and reduce administration requirements on providers in relation to field of study reporting.

DIISRTE is considering opportunities to streamline reporting requirements related to field of study.

In order to better understand the issues associated with field of study reporting, DIISRTE seeks feedback from stakeholders on current arrangements and possible alternatives to these arrangements.

3.4.3 Replacing Equivalent Full-Time Student Load with Full Year Training Equivalent

Currently, providers report on Equivalent Full Time Student Load (EFTSL) on a quarterly basis as part of their obligations under the Scheme. EFTSL was applied in relation to VET FEE-HELP in an attempt to address the highly variable length and duration of courses and provide a standardised basis for calculating payments due to providers in relation to annual fees that are levied on students. EFTSL is a higher education concept where full-time equivalent can be more easily calculated. VET providers approved under the Scheme have differing interpretations and applications of what constitutes a full-time year and as a result, the data captured is highly variable for the purposes of obtaining a valid and consistent picture on
volume of training. As a result, DIISRTE invests significant effort in providing training and one-on-one support to providers which is costly and resource intensive. DIISRTE is considering a proposal that EFTSL be replaced with Full Year Training Equivalent (FYTE) which has been used in the VET Sector to measure the volume of training activity for some time.

In order to implement this change which will simplify payment estimation and data reporting requirements, DIISRTE will require providers to report on contact hours related to each diploma and advanced diploma course they offer as part of the process of estimating their overall tuition fee revenue for each calendar year, as noted above.

It is anticipated that the change to FYTE will increase the suitability of data reporting under VET FEE-HELP and improve the validity, accuracy and consistency of reporting of total training volume. This will enable improved estimates of Commonwealth payments to providers to be ascertained. There will be a significant reduction in administration for providers as EFTSL will no longer need to be calculated.

**DIISRTE is considering the removal of the requirement to report on Equivalent Full Time Student Load (EFTSL) and its replacement with Full Year Training Equivalent. It is anticipated that this change will simplify arrangements for estimation of annual payments to providers and regular reporting requirements associated with the volume of training delivered each quarter.**

Feedback on this proposed change is sought from stakeholders.

### 3.4.4 Enhancing NCVER’s student outcomes survey to capture student experience with VET FEE-HELP

Currently there is no reporting mechanism to obtain information on the student experience in VET associated with taking up ICLs. DIISRTE will provide funding to the NCVER to increase the availability of data to support research on the impact of the availability of ICLs through an enhanced Student Outcomes Survey, or separate survey, which would include questions on:

- how VET FEE-HELP impacts on study choices;
- the impact on pathways into higher education;
- employment outcomes through higher level study; and
- improvements to salary through higher level study and impact of VET FEE-HELP and total publicly funded training activity including enrolments and completions funded by VET FEE-HELP for public and private providers.

NCVER will also be asked to explore the scope of work required to report information on student experience at the institutional level through surveys across institutions. This work will further inform student experiences under the Scheme, support the quality agenda and close an information gap on analysis of returns to individuals from undertaking higher level courses and accessing ICLs. This information will inform future policy directions and settings.
DIISRTE has approached the NCVER to conduct a separate student outcomes survey on students accessing income contingent loans or to enhance the existing student outcome survey to include specific questions for students accessing income contingent loans to better understand student experiences and outcomes flowing from VET FEE HELP.

DIISRTE seeks feedback from stakeholders on the separate or expanded student outcomes survey and views on questions that could be included in the survey.

3.5 Enhancing IT systems to support administration

Stakeholders have conveyed the following issues with the Scheme’s administration:

- the application process to become approved to offer VET FEE-HELP is complex and difficult to understand and together with any associated requests for further information where applications are incomplete, these issues can extend the approval timeframe;
- the current IT system being used to submit applications for VET FEE-HELP does not support effective and efficient business operations;
- once approved, certain administrative compliance requirements such as the approval of new courses under the Scheme, publishing of census dates and tuition fees for units of study significantly increases the administration costs for approved providers; and
- the data reporting requirements for the Scheme are not streamlined in the broader VET or tertiary environment creating additional administrative costs.

To address these issues, DIISRTE will develop a new IT system portal to leverage new technology to support Scheme administration for use by applicants, approved provider administrators and DIISRTE administrators. The new system will replace the current VET FEE-HELP Information Technology System (VITS) and will be built to support three key operational areas for the Scheme:

- applications, approvals, ongoing administrative compliance, estimates and payments processes;
- data reporting; and
- information exchange and education.

When implemented, the system will increase efficiency for all Scheme administrators and provide a ‘one stop shop’ to manage all administrative aspects of the Scheme. Stakeholder involvement (e.g. input, communication, usability testing) will be an important element throughout the system development stages commencing in 2012-13 with an anticipated rollout during 2013-14 and 2014-15.

An enhanced VET FEE-HELP IT system is to be developed to better support the Scheme. Stakeholder feedback on key areas requiring enhancement to the existing system would be welcome.
3.6 Raising the profile of VET FEE-HELP

Since the establishment of VET FEE-HELP there has not been a dedicated Government marketing, communication and education approach delivered to stakeholders about the Scheme. This is believed to have contributed to its low early uptake. There is also some indication that responsibility for marketing the Scheme to students between the Commonwealth, states and territories and RTOs approved to offer VET FEE-HELP is not clear. Furthermore, marketing and promotion of the Scheme by approved providers is done inconsistently, and recently, in a limited number of cases, inappropriately to recruit students.

VET FEE-HELP is not well known amongst some RTOs and students, and if it is known, it is not well understood. There is evidence that students are confused about the range of Government ICLs available, and in some instances, this has been compounded by information about what assistance is on offer at the state and territory level. During consultations about the Scheme, some stakeholders have indicated that there is evidence that VET student barriers to uptake of the Scheme include their aversion to taking on a debt. What may explain this in part, is that the Government’s information products about ICLs have not been effective in informing students about the Scheme. In addition, market testing of the Scheme’s information channels suggested that the VET FEE-HELP website was complex and not user friendly. All these factors impact on individual study choices. Students may not be fully aware of the implications of their study decisions which may impact on the decision to take up a higher level VET qualification and use VET FEE-HELP.

On this basis, the delivery of clear accessible information about VET FEE-HELP to stakeholders is paramount to the Scheme’s future and will underpin all of the improvements under the Scheme’s redesign. However, it is not as simple as this. VET FEE-HELP information must be provided in the relevant context to support individuals to make study decisions on the best available information. With the advent of increasing skills reforms and student entitlements creating a more dynamic, albeit more complex VET environment, the provision of clear and transparent information to guide good decisions becomes even more critical.

The profile of VET FEE-HELP must be lifted substantially. This is planned to be achieved through a two-pronged approach through:

1. the VET FEE-HELP redesign to improve the Scheme and make it a better fit for the sector; and
2. a dedicated communication and education strategy to raise stakeholder awareness, increase understanding and promote the benefits of VET FEE-HELP. This includes:
   • educating potential students about the benefits of obtaining a higher level VET qualification, including improved employment opportunities and higher wages;
   • addressing issues with student debt aversion;
   • communicating the improvements being made to the Scheme to RTOs and providers approved to offer VET FEE-HELP; and
   • improving information and education for providers approved to offer VET FEE-HELP on how to remain compliant.
Key stakeholders will be identified and tailored messages will be developed to address the misconceptions that exist in some parts of the sector adversely affecting the Scheme’s accessibility, participation and stakeholder experience. The Commonwealth will work with states/territories, peak bodies and approved providers on consistent messages and marketing of the Scheme and the strategy will maximise a more seamless approach to deliver key information to stakeholders.

All information products and channels will be substantially reviewed. Where appropriate and based on evidence, social media applications may be used to improve understanding of what the Scheme offers and promote its benefits including the relatively low cost associated with taking out ICLs and the expected financial returns to individuals from completing a higher level VET qualification. Improved information will also be provided to educate individuals that they know they do not need to repay their loan until they reach a salary that affords them to do so.

DIISRTE has recently launched the Study Assist website studyassist.gov.au, which provides a ‘one-stop-shop’ of comprehensive information to students about Australian Government assistance for financing tertiary study. This includes information on VET FEE-HELP and information on the repayment of HELP loans, checking usage of Commonwealth assistance at myUniAssist, and provider and course information. Study Assist also provides links to external educational websites such as myuniversity.gov.au, youth.gov.au and myfuture.gov.au. It is considered that Study Assist will promote the benefits of the VET FEE-HELP and provide students with up to date information on how to finance their study.

The anticipated benefits of such a strategy will support the Government’s transparency agenda by ensuring that students know what they are signing up to, and providers are clear as to their obligations and responsibilities to students. High quality providers will be encouraged to apply to the Scheme. Development and implementation of such a strategy to improve understanding of the Scheme for all stakeholders will help to raise the profile, reputation, and status of the Scheme making it more accessible for all Australians.

**An enhanced communication and information strategy will be developed over the course of 2012-13 and supported by appropriate products and channels.**

**DIISRTE will be keen to involve stakeholders in this process and would welcome any comments on what elements should be included in the strategy.**

## 4 General discussion questions

a) Given the redesign elements in this discussion paper:
   i. Are the proposed changes workable in the VET sector?
   ii. Which elements are the most critical to support the Scheme’s operation in the VET sector?
   iii. Are there any elements of the redesign that your organisation is opposed to and if so, why?
   iv. Are there other areas for improvement or options that have not been identified in this paper?
b) Are there other barriers within the applications process and approval policies that have not been identified?
c) Do the proposed changes address existing issues with applications and approval processes?
d) Do the proposed changes sufficiently alleviate administrative requirements under the Scheme?
e) What other steps can the Government consider to ensure only quality providers are approved and continue to be approved under the Scheme?
f) What other steps can the Government consider to improve fairness, transparency and safeguards for students?
g) What would be required to implement the changes including timeframes?
h) What other options should the Government consider to further improve the Scheme’s operation in the education sector?

5 Next steps

Feedback received from stakeholders on the Government’s proposed changes to VET FEE-HELP will be collected, analysed and incorporated into a regulation impact statement. This will support the proposed changes and will inform future policy direction for the Scheme. Stakeholders will be advised of any changes made to the Scheme’s operation bearing in mind the time required for stakeholders to implement any changes.

6 Written submissions

In addition to public forums, DIISRTE invites written submissions from interested parties on the redesign elements of VET FEE-HELP and their impact including any compliance costs, as well as any other matters or issues of relevance.

Submissions in response to this discussion paper can be emailed to TSEnquiries@deewr.gov.au by COB AEST 22 July 2012.

No late submissions will be accepted. Submissions may be made public. If you would like your submission to remain confidential this must be clearly indicated on your submission.